

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-05-3
APPROVAL OF A FIRM ENERGY SALES)	
AGREEMENT FOR THE SALE AND)	
PURCHASE OF ELECTRIC ENERGY)	ORDER NO. 29725
BETWEEN IDAHO POWER COMPANY)	
AND LEWANDOWSKI FARMS)	

On February 11, 2005, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Lewandowski Farms dated February 10, 2005. Under the Agreement, Lewandowski Farms would sell and Idaho Power would purchase electric energy generated by the Lewandowski Farms Wind Generation Project (Project) located on Simco Road east of Boise in Elmore County, Idaho in an area more particularly described as the NW ¼ of Section 23, Township 1 South, Range 4 East, Boise Meridian, Elmore County, Idaho. The Project consists of three (3) Micon, 108 kW wind generation machines. The nameplate reading of the project is 324 kW with a maximum generation capability of 400 kW.

Lewandowski Farms is currently interconnected and selling energy to Idaho Power from this Project pursuant to a previously approved tariff Schedule 86 Non-Firm Energy Purchase Agreement dated May 2, 2001 (as amended on May 28, 2004). Reference Order No. 28795. The Project will continue to be a Qualifying Facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA).

As represented by Idaho Power, the Agreement with Lewandowski Farms comports with the terms and conditions of Commission Order No. 29632 (Case No. IPC-E-04-10, Bob Lewandowski and Mark Schroeder vs. Idaho Power) and avoided cost Order No. 29646. The contract is for a five-year term and contains the published non-levelized avoided cost rates set forth in Order No. 29646.

As reflected in Section 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Lewandowski Farms for purchases of energy will be

allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is February 10, 2005.

Commission Findings

The Commission has reviewed the filings of record in Case No. IPC-E-05-3. We have also reviewed our Order No. 29632 in Case No. IPC-E-04-10, *Bob Lewandowski and Mark Schroeder v. Idaho Power*. Submitted in this docket is an Idaho Power Firm Energy Sales Agreement with Lewandowski Farms, a wind power project located in Elmore County, Idaho. The project and related contract terms and conditions were the subject of a recent Lewandowski complaint action in Case No. IPC-E-04-10. That case was fully litigated and resulted in Commission Order No. 29632 resolving disputed contract provisions.

The Commission finds that the Agreement submitted in this case comports with the Commission's Order in the Lewandowski complaint case as to the then disputed terms and conditions, contains otherwise additional standard contract provisions and includes the current non-levelized published rates approved by the Commission in Order No. 29646. As the contract provisions of the Agreement are acceptable and the non-levelized rates comport with Commission published avoided cost rates, the Commission finds it reasonable that the submitted Agreement be approved without further notice or procedure. We further find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA).

The Commission has the authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities, and to implement FERC rules.

ORDER

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby approve the February 10, 2005 Firm Energy Sales Agreement between Idaho Power Company and Lewandowski Farms.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

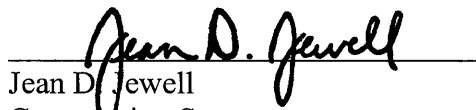
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th day of March 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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